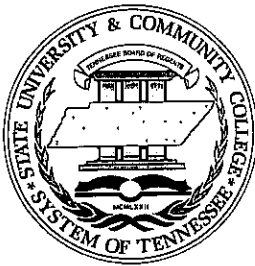


CONTRACT #4
RFS # N/A

**East Tennessee State
University**

VENDOR:
**Medical Education
Assistance Corporation**



Tennessee Board of Regents

1415 Murfreesboro Road - Suite 350 - Nashville, Tennessee 37217-2833
(615) 366-4400 FAX (615) 366-4464

RECEIVED

MAY 02 2006

May 1, 2006

FISCAL REVIEW

Ms. Leni S. Chick
Fiscal Analyst
Rachel Jackson Building, 8th Floor
Nashville, TN 37243

Dear Ms. Chick:

Enclosed please find an agreement between East Tennessee State University and Medical Education Assistance Corporation which is to provide physician assistants, nursing, office support, clinical support and other services required to service the unattached patients admitted to Wellmont Holston Valley Medical Center.

I realize that contracts are to be submitted to you 60 days prior to the proposed implementation date. The contract was received and finalized at the TBR central office to be approved on May 1, 2006. **Please Angela Gregory regarding the date this will go before the Fiscal Review Committee and I will inform the representatives to insure they are present for the meeting in which the contract will be discussed.** If you have any questions, please do not hesitate to Ms. Gregory at 366-4436.

Information regarding the contract may be sent to my attention at the Tennessee Board of Regents, 1415 Murfreesboro Road, Suite 340, Nashville, Tennessee 37217.

Sincerely,

Elizabeth Holton McClaran
Administrative Assistant/Coordinator

Cc: Charles Manning
Bob Adams
Angela Gregory
David Collins

Austin Peay State University • East Tennessee State University • Middle Tennessee State University • Tennessee State University
Tennessee Tech University • University of Memphis • Chattanooga State Technical Community College
Cleveland State Community College • Columbia State Community College • Dyersburg State Community College
Jackson State Community College • Motlow State Community College • Pellissippi State Technical Community College
Roane State Community College • Southwest Tennessee Community College • Volunteer State Community College
Walters State Community College • Nashville State Technical Community College • Northeast State Technical Community College
The Tennessee Technology Centers

EAST TENNESSEE STATE UNIVERSITY
JUSTIFICATION FOR NON-COMPETITIVE PURCHASES AND CONTRACTS
For \$250,000 and Greater
MEAC Clinical and Clerical Support Services

(1) *Description of service to be acquired:*

Medical Education Assistance Corporation (MEAC) aka ETSU Physicians and Associates, an affiliate of East Tennessee State University, Quillen College of Medicine, is to provide physician assistants, nursing, office support, clinical support, and other services required to service the unattached patients admitted to Wellmont Holston Valley Medical Center.

(2) *Explanation of the need for or requirement placed on the procuring institution to acquire the service:*

If ETSU did not acquire these services from MEAC, ETSU would have to establish an entire clinical office and staff in Kingsport at a cost substantially higher than \$304,000 per year. ETSU has a contract with Wellmont Health System that necessitates the procuring of these services in order to fulfill the requirements of the contract. ETSU uses resources from the Wellmont contract to pay MEAC for the services provided, as well as pay ETSU for services provided.

(3) *Name and address of the proposed contractor's principal owner(s):*

State of Tennessee; Tennessee Board of Regents; East Tennessee State University, Quillen College of Medicine. MEAC is a 501 (c) (3) nonprofit corporation affiliated with ETSU Quillen College of Medicine.

(4) *Evidence that the proposed contractor has experience in providing the same or similar service and evidence of the length of time the contractor has provided the same or similar service:*

MEAC has provided medical services in Kingsport since 1978. They have been providing these services to ETSU Quillen College of Medicine, since July 1, 1991.

(5) *Explanation of whether the service was ever bought by the procuring institution in the past, and if so, what method was used to acquire it and who was the contractor:*

Services have always been procured from MEAC, an affiliate of ETSU, Quillen College of Medicine. The need for the services was required when Wellmont Health System requested ETSU to provide health care to unattached patients in a contract with ETSU, Quillen College of Medicine. The current agreement between Wellmont Health System and ETSU is a multiyear agreement that expires 6/30/2010.

(6) *Description of procuring institution's efforts to use existing institutional employees and resources or, in the alternative, to identify reasonable, competitive, procurement alternatives (rather than to use non-competitive negotiation):*

With this contract, ETSU is using an affiliated organization, employees, and resources.

(7) Justification of why the state institution should acquire the service through non-competitive negotiation (list the applicable factor(s) from Section XV (B) of TBR Policy No. 4:02:10:00):

The contract is with an affiliated organization chartered in the State of Tennessee for the "continuous active conduct of medical education, medical research, medical care, and the practice of medicine to improve the ETSU, Quillen College of Medicine and its affiliated teaching hospitals and their training and research resources, and facilities and their service opportunities to serve the citizens of Tennessee..."

APPROVAL: Paul E. Stanton 4/10/04
President (may not be delegated) Date

APPROVAL: [Signature] 5/1/04
Chancellor Date

REVIEW BY FISCAL REVIEW COMMITTEE

Chairman Date

AGREEMENT BETWEEN
EAST TENNESSEE STATE UNIVERSITY
AND
MEDICAL EDUCATION ASSISTANCE CORPORATION

This Agreement is made this 3rd day of April, 2006, by and between East Tennessee State University, hereinafter referred to as the "Institution", and Medical Education Assistance Corporation, hereinafter referred to as "Contractor" or "MEAC".

W I T N E S S E T H:

In consideration of the mutual promises herein contained, the parties have agreed and do hereby enter into this agreement according to the provisions set out herein:

A. The Institution agrees to furnish physicians board certified or board eligible in Internal Medicine (Internists) to provide services to all the unattached (not a private patient of any physician) and indigent patients needing medical care who present themselves to the Wellmont-Holston Valley Medical Center (WHVMC). Emergency Department. This does not obligate the Institution to provide Internists to handle unattached or indigent patients transferred from other facilities to WHVMC. Any necessary replacement of an Internist, whether by reason of resignation, loss of staff privileges, or any other termination, shall be accomplished as quickly as reasonably possible.

Subject to the following terms, each Internist will:

1. Provide medical care to unattached and indigent patients who present themselves to the WHVMC Emergency Department
2. Be appointed by the University
3. Maintain membership o the medical staff of WHVMC, which membership and the attending and admitting privileges associated therewith, will be determined by WHVMC pursuant to WHVMC and Medical Staff Bylaws of WHVMC
4. Abide by the policies and the rules of WHVMC and the WHVMC Medical Staff bylaws in effect during the term of this Agreement

The MEAC will bill patients for professional services of the Internists through the Medical Education Assistance Corporation related to the College of Medicine on a fee for service basis; the WHVMC will bill patients separately for any WHVMC services and care.

B. The Contractor agrees to perform the following additional services:

Provide physician assistants, nursing support, office support, clinical support, and other services to unattached and indigent patients which may be required in preparation for patient treatment in an outpatient clinical setting once released from the hospital.

C. The Institution agrees to compensate the Contractor as follows:

1. \$23,666.00 per month.
2. Twelve equal monthly payments which are contingent upon outside funding from Wellmont Health System.
3. Payments to the Contractor shall be made according to the schedule set out above, but only after receipt of invoices for services performed. The final payment shall be made only after the Contractor has completely performed its duties under this agreement.
4. In no event shall the liability of the Institution under this contract exceed \$1,135,968.00.

D. The parties further agree that the following shall be essential terms and conditions of this agreement.

1. The parties agree to comply with Titles VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Executive Order 11,246, the Americans with Disabilities Act of 1990 and the related regulations to each. Each party assures that it will not discriminate against any individual including, but not limited to, employees or applicants for employment and/or students because of race, religion, creed, color, sex, age, disability, veteran status or national origin.

The parties also agree to take affirmative action to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, creed, color, sex, age disability, veteran status or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection available to employees and applicants for employment.

2. The parties agree to comply with all applicable Tennessee and federal laws including, but not limited to HIPPA.

3. The Contractor, being an independent contractor and not an employee of this Institution, agrees to carry adequate public liability and other appropriate forms of insurance, to pay all taxes incident hereunto, and otherwise protect and hold the

Institution harmless from any and all liability not specifically provided for in this agreement.

4. The term of this contract shall be from July 1, 2006, to June 30, 2010.

5. This agreement may be terminated by either party by giving written notice to the other, at least thirty (30) days before the effective date of termination. In that event, the Contractor shall be entitled to receive just and equitable compensation for any satisfactory authorized work completed as of the termination date.

6. If the Contractor fails to fulfill in a timely and proper manner its obligations under this agreement, or if the Contractor shall violate any of the terms of this agreement, the Institution shall have the right to immediately terminate this agreement and withhold payments in excess of fair compensation for work completed.

Notwithstanding the above, the Contractor shall not be relieved of liability to the Institution for damages sustained by virtue of any breach of this agreement by the Contractor.

7. Any and all claims against the Institution for personal injury and/or property damage resulting from the negligence of the Institution in performing any responsibility specifically required under the terms of this Contract shall be submitted to the Board of Claims or the Claims Commission for the State of Tennessee. Damages recoverable against the Institution shall be expressly limited to claims paid by the Board of Claims or Claims Commission pursuant to T.C.A. Section 9-8-302 et seq.

8. This agreement may be modified only by written amendment executed by all parties hereto.

9. The Contractor shall maintain documentation for all charges against the Institution under this agreement. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this agreement, shall be maintained for a period of three full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon notice, by the Institution or the Comptroller of the Treasury, or their duly appointed representatives.

10. The Contractor shall not assign this agreement or enter into sub-contracts for any of the work described herein without obtaining the prior written approval of the Institution or Board of Regents, as appropriate. Approval shall not be given if the proposed subcontractor was or is currently ineligible to bid on the contract.

11. This agreement shall not be binding upon the parties until it is approved by the president or his designee and the Tennessee Board of Regents, as appropriate.

In witness whereof, the parties have by their duly authorized representatives set their signatures.

MEDICAL EDUCATION ASSISTANCE CORPORATION

By: Russell Lewis

Russell Lewis

TITLE: Executive Director

DATE: _____

EAST TENNESSEE STATE UNIVERSITY

By: J.K. Smith

J.K. Smith, M.D.

TITLE: Interim Chairman/Internal Medicine

DATE: 7/8/06

By: Ronald Franks

Ronald Franks, M.D.

TITLE: Vice President for Health Affairs

DATE: _____

By: Paul E. Stanton, Jr.

Paul E. Stanton, Jr., M.D.

TITLE: President

DATE: 4-10-06

APPROVED: TENNESSEE BOARD OF REGENTS

BY: Chancellor

TITLE: Chancellor

DATE: 5-01-06